

From: "Jay Estes" <pres@psbtexas.com> on 02/02/2006 11:40:11 AM

Subject: Interagency Concentrations in Commercial Real Estate Lending

In reading the proposed Guidance on Commercial Real Estate Lending I once again get the sense of overkill in terms of managing risk. I am a survivor of the real estate market decline of the 80's and personally do not want to experience that environment again therefore am not opposed to some form additional monitoring. However, adding an additional policy and set of procedures(to the extent proposed) to my drawer already full of Regulations, Acts and numerous existing policies is not necessarily the answer. A simple recognition of the total dollar amount of construction/development loans and acknowledge of the risks therein would be much less burdensome.

Granted, Bank's on the whole have increased loan portfolios in this area. Current demographics and future projections on the growth for the State of Texas would tend to support this type of activity.

This push for intense detailed oversight has shades of the Y2K preparation where much time and money was spent for an event that may or may not occur. Thank you for considering my comments.

Sincerely,

Jay Estes President

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